· Convenience and safety

Worldwide acceptance

and currency translation

Payment flexibility

Disadvantages (

High interest cost

· Credit card abuse

Damaged credit rating

Importance of maintaining a good personal

Avoid being charged higher interest ratesMaintain a good personal resume

How to maintain a good personal credit

Maintain a good habit of financial discipline
Avoid applying for too many credit cards

• Ensure the chance to get a loan

Use credit responsibly

Repay on time

credit record

record

Fixed repayment schedule

amount can be lowered

Periodic repayment

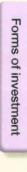
· Easy and fast to obtain

Disadvantages (**)

Fixed rate loan

Fixed terms





Personal financial planning at different life stages

Deposits Higher interest return Lower liquidity Fixed deposit period Term Deposit Bonds Stocks

 Higher liquidity Flexible deposit period Savings Deposit

Lower interest return

Retirement •	Pre- retirement t	Late family	Couple P Early family •	Young single	Stages
Holding adequate health insurance Estate planning	Direct more financial resources to retirement planning and medical coverage	 Prepare money for children's university education Plan for future medical expenses and retirement 	 Preparing to have a family Plan for family expenses, e.g. child's education fund Stronger insurance coverage 	Create and accumulate wealth Plan for later stages	Importance of financial planning

The rights and responsibilities of employees and self-employed persons under the MPF System

	Employees	Self-employed persons
Rights	 Receive 	 Change the scheme
	contributions from	 Change allocations
	employers	of their contributions
	 Change the scheme 	in the MPF scheme
	 Change allocations 	
	of their contributions	
	in the MPF scheme	
Responsibilities	 Make mandatory 	 Join a MPF scheme
	contributions to	 Make contributions
	the selected MPF	 Update information
	scheme	 Inform your trustee
	 Manage their own 	of cessation of self-
	MPF account well	employment

Rights and responsibilities of individual investors and consumers of financial services

services and consumers of financial Rights of individual investors

Risks

 Not able to sell in Default risk

Share price

fluctuates

Dividend is not fixed

the market

Company goes

bankrupt

Returns

Coupon payment

Dividends

Share price

appreciation

Bonds

Stocks

Bond price

appreciation

- Right to be informed
- Responsible investment management
- Obtain accurate information Ask for rationale behind an investment recommendation
- Right to complain
- Voting right

Voting right

Get back the

investor's role

The creditor of firms Reinvestment risk Interest rate risk

The owner of firms

capital

the capital when the company is liquidated. The bondholders have the priority to get back

Receive entitlements

individual investors and Responsibilities of services consumers of financial

- Study information
- Consider the risk and
- Understand the terms of a contract
- Monitor activities on own

Stock Trading as an Investment



Factors affecting share prices

Internal factors	External factors	
Company performance	General economic condition	
	Industry prospects	
	Interest rate	
Dividend policy	Government policy	
Corporate	Speculation	
decisions	Political factors	

The platforms of stock trading in Hong Kong

Main Board A traditional platform

Growth Enterprise Market (GEM)

A platform for enterprises which have good business ideas and potential growth, but do not meet the requirement to be listed on the Main Board to raise fund

The importance of the Hang Seng Index (HSI)

- Measurement of performance
- Benchmark of investment management
- Benefits the constituent companies

	Differences between the Main Board and GEM					
		Main Board	GEM			
(a)	Listing requirement	Higher	Lower			
(b)	Risk to invest	Lower	Higher			
(c)	Return	Usually lower	Usually higher			
(d)	Number of company	More	Less			